

Economic Impact Statement
LSA Document #10-731

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses**Description of the Rule**

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) was established by federal law in 1972. It is designed to improve the nutritional status of eligible persons.

WIC provides services to pregnant women, postpartum women, breastfeeding women, infants, and children up to five years of age. By helping provide proper nutrition at the beginning of life, WIC seeks to prevent serious health problems that can last a lifetime.

The U.S. Department of Agriculture (USDA) provides 100 percent of the funds to operate this program. The Indiana State Department of Health (ISDH) is authorized by the USDA to administer the WIC Program in Indiana. ISDH contracts with local agencies to provide WIC services in their communities. Each local agency has agreements with local pharmacies and groceries to provide supplement foods to WIC participants.

This rule amends [410 IAC 3.6](#) to add a new definition and update the minimum stocking requirement and preauthorization visit requirements. ISDH is mandated by the USDA to notify WIC vendors of these changes

Per USDA regulations, notification of program changes. The state agency must notify vendors of changes to federal or state statutes, regulations, policies, or procedures governing the program before the changes are implemented. The state agency should give as much advance notice as possible.

Per USDA regulations, compliance with vendor agreement, statutes, regulations, policies, and procedures. The vendor must comply with the vendor agreement and federal and state statutes, regulations, policies, and procedures governing the program, including any changes made during the agreement period.

Economic Impact on Small Businesses**1. Estimate of the number of small businesses, classified by industry sector, that will be subject to the proposed rule:**

160 grocery stores and pharmacies

2. Estimate of the average annual reporting, record keeping, and other administrative costs that small businesses will incur to comply with the proposed rule:

There should be no change in the annual cost to comply with the changes in this rule.

3. Estimate of the total annual economic impact that compliance with the proposed rule will have on all small businesses subject to the rule:

The small businesses that wish to comply with these rules and continue to be a part of this program will share in \$10 million in retail WIC sales.

4. Statement justifying any requirement or cost that is imposed on small businesses by the rule; and not expressly required by the statute authorizing the agency to adopt the rule; or any other state or federal law:

The additional retail sales gained by small businesses (estimated at \$10,000,000) participating in this program exceeds any cost to comply.

5. Regulatory Flexibility Analysis:

Other factors considered:

A. Establishment of less stringent compliance or reporting requirements for small business:

We currently provide reduced minimum stocking requirement for some small businesses.

B. Establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses:

The USDA mandates that minimum stocking must be maintained at all times. We are not able to reduce the schedule or deadline for compliance.

C. Consolidation or simplification of compliance or reporting requirements for small businesses:

Compliance is required by the USDA and cannot be further simplified. There are no reporting requirements for small businesses.

D. Establishment of performance standards for small businesses instead of design or operational standards imposed on other regulated entities by the rule:

The USDA requires the performance standards be the same for all vendors.

E. Exemption of small businesses from part or all of the requirement or costs imposed by the rule:

The USDA requires all businesses that wish to participate in the program to comply with all requirements.

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